



1/22

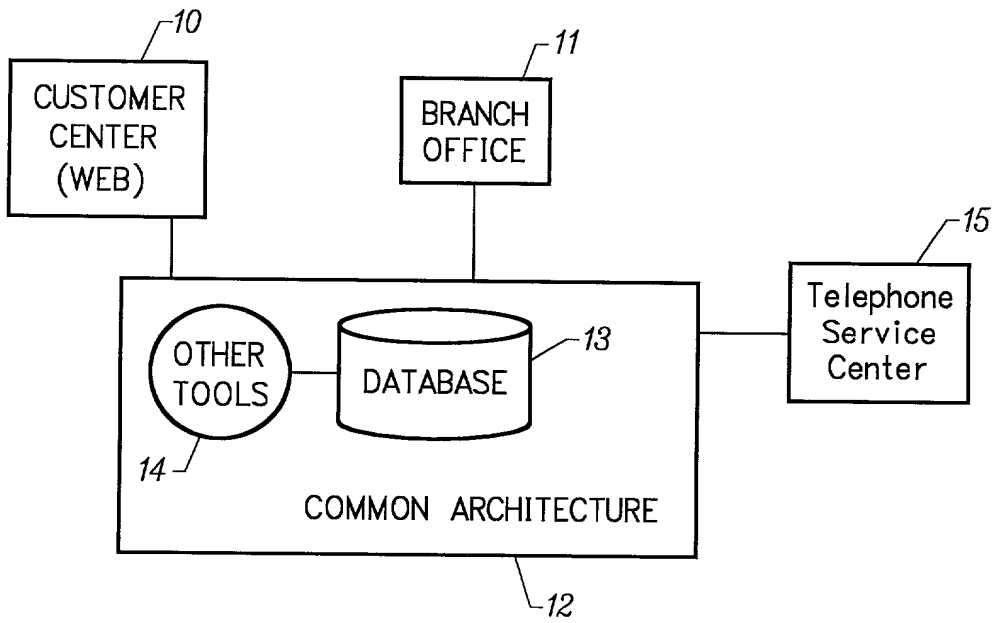
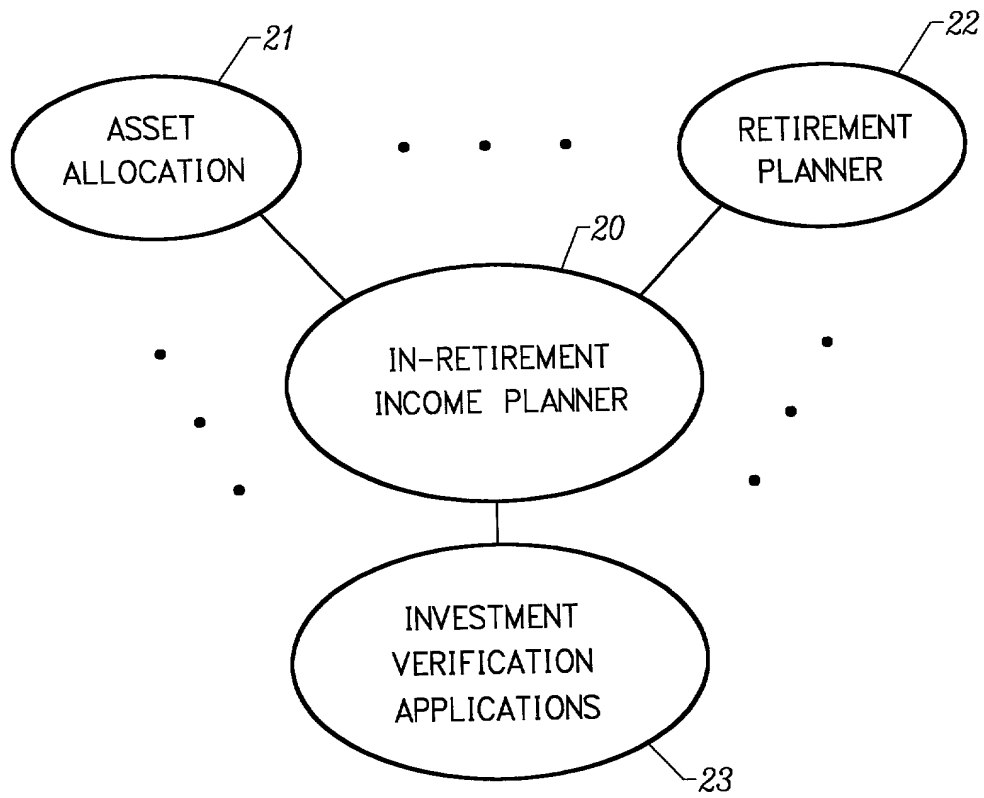
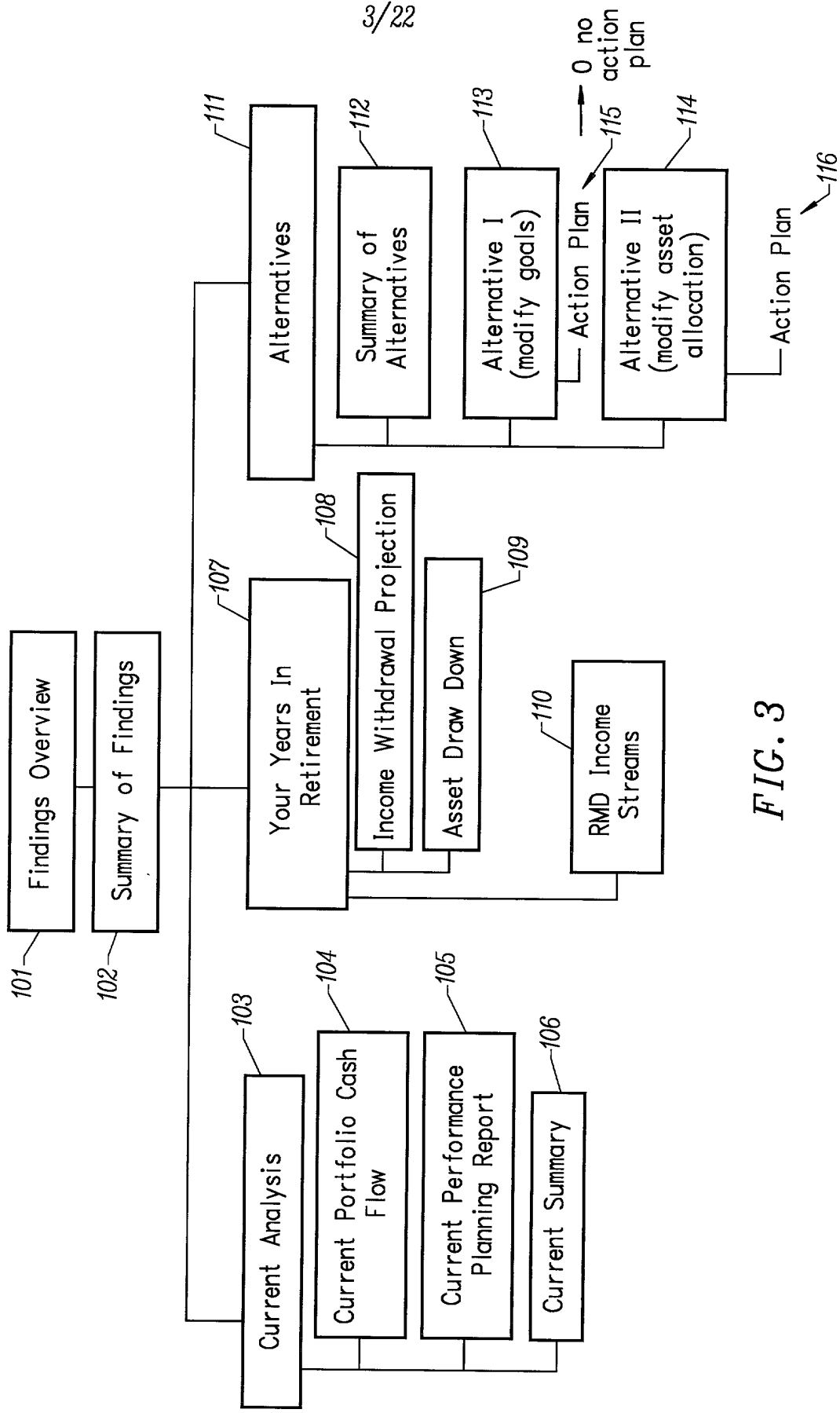


FIG. 1

*FIG. 2*



Prepared for: Susanna Sample  
August 5, 2000

Findings Overview

Facts		Current Analysis	
Income Goal		\$110,000	
Estate		\$590,000	
Years in Retirement		25 years	
Asset Allocation		unchanged	
Likelihood of Success		75%	

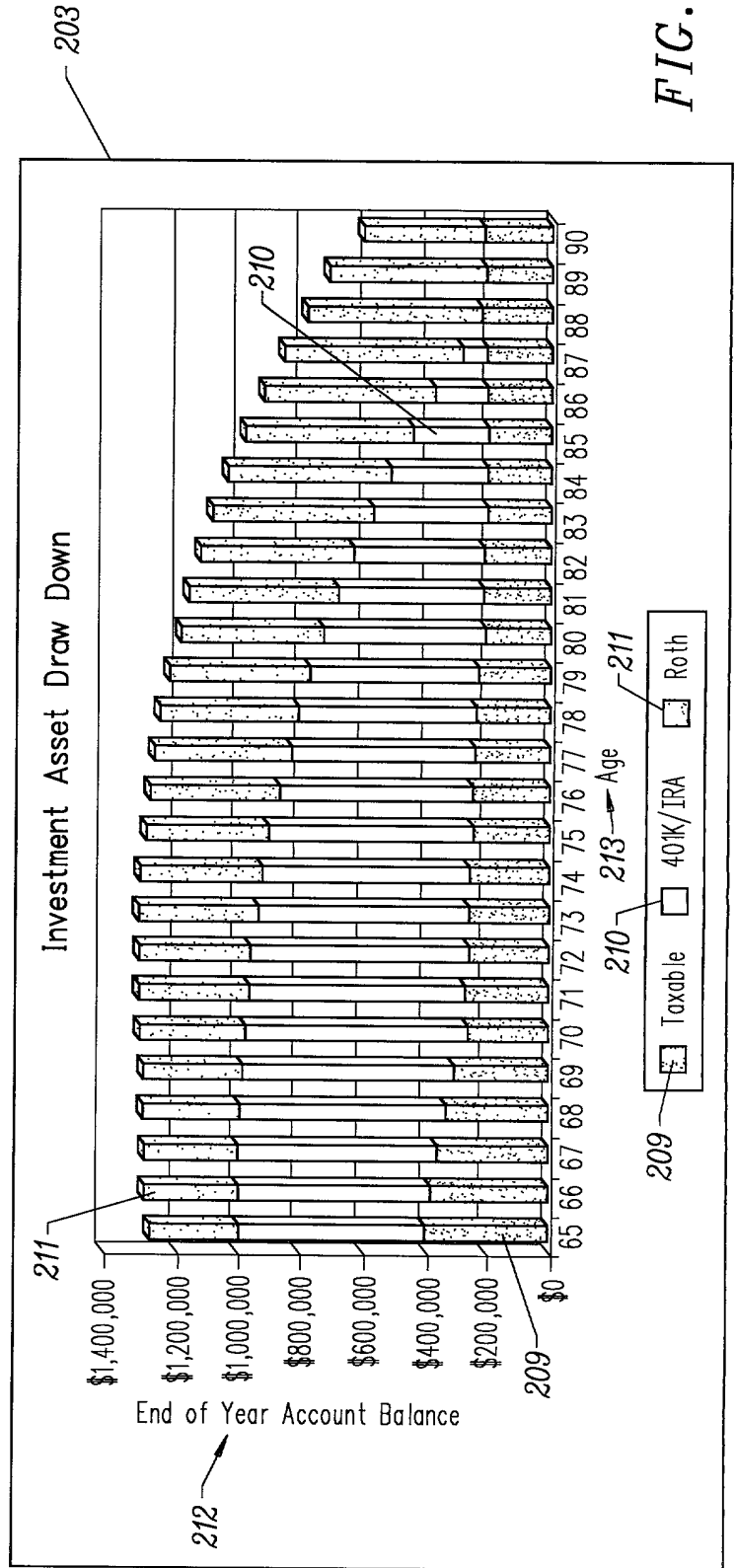


FIG. 4

301

# Summary of Findings

Prepared for: Susanna Sample  
August 5, 2000

Based on your stated income, estate and years in retirement goals and your current portfolio allocation, Schwab's analysis shows that **you have a 75% chance of meeting your estate goal in retirement**. Listed below is a summary of Schwab's analysis of your current situation. Your Schwab Investment Specialist can help you evaluate the findings, and help you determine the best course of action to meet your needs.

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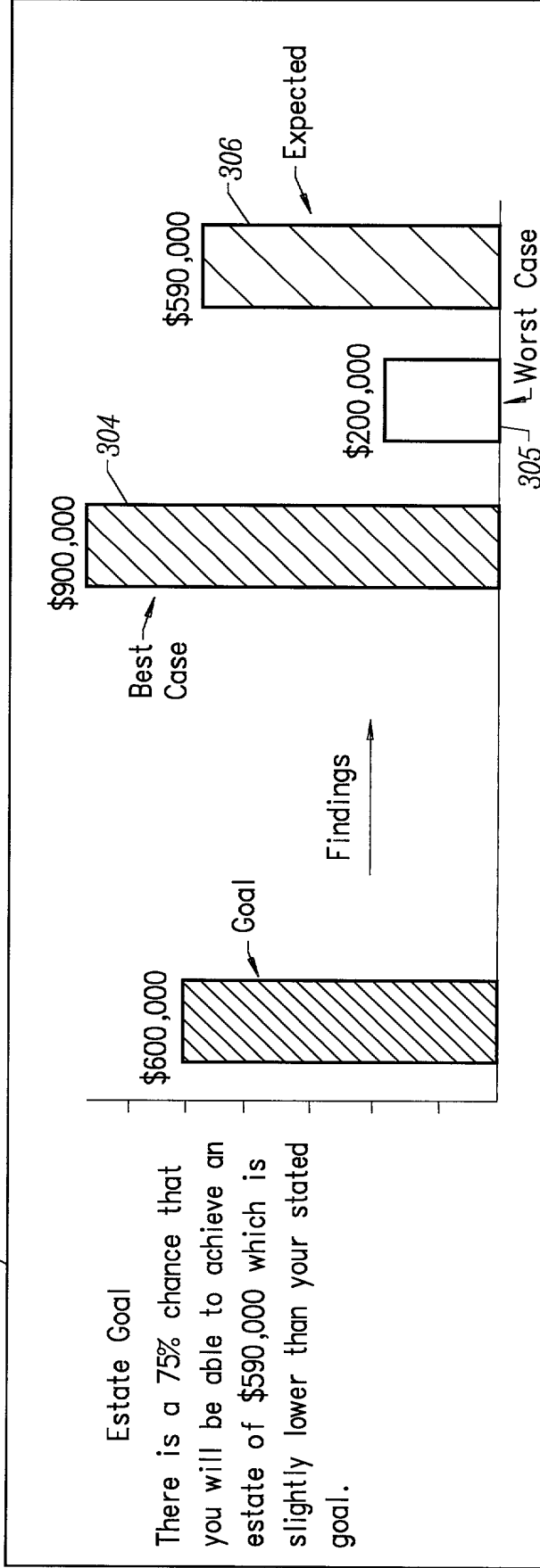
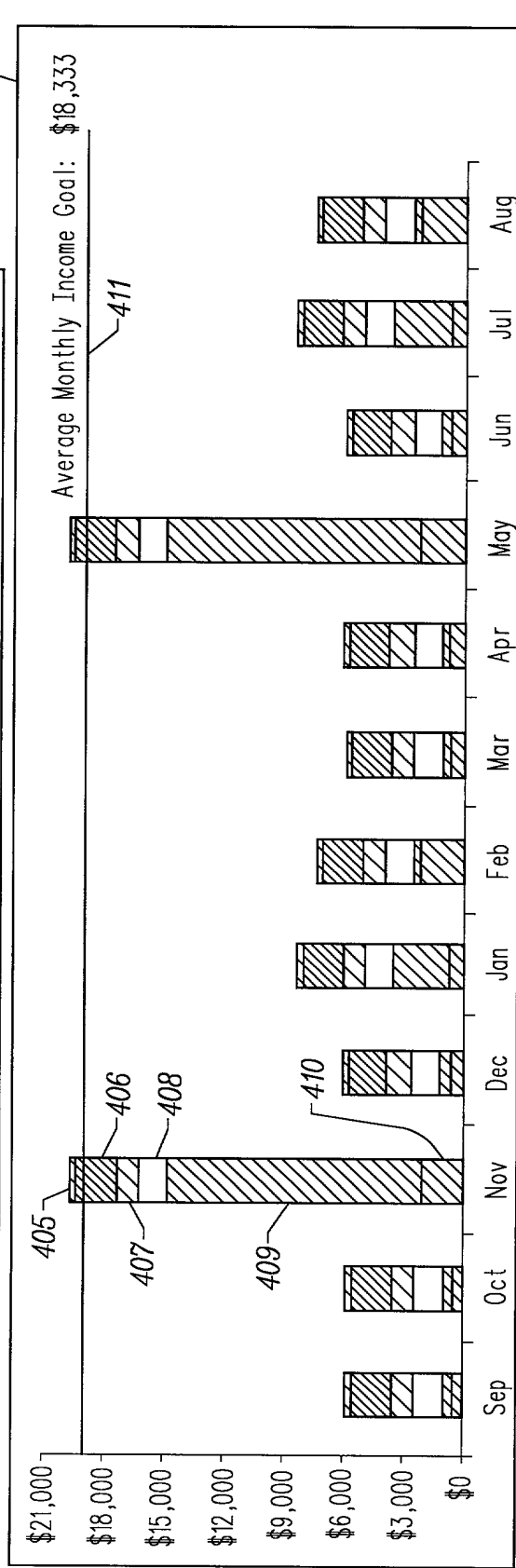


FIG. 5

Prepared for: Susanna Sample  
August 5, 2000

### Current Portfolio Cash Flow

Your current portfolio is projected to provide you with \$100,000 in cash flows from dividend and interest payments as well as non-fluctuating sources of income annually. This leaves you with a **\$10,000 income gap** to meet your annual income goal of \$110,000.



	Projected 2000					Projected 2001								Total
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		
<i>Dividend &amp; Interest Sources</i>														
405	—	Equity Dividend	\$403	\$451	\$850	\$403	\$875	\$403	\$406	\$850	\$403	\$406	\$1,378	\$7,234
406	—	Fixed Income	\$245	\$255	\$7,900	\$330	\$225	\$215	\$260	\$7,900	\$240	\$1,859	\$225	\$21,078
407	—	Cash	\$57	\$57	\$57	\$57	\$57	\$57	\$57	\$57	\$57	\$57	\$57	\$684
<i>Non-Fluctuating Sources</i>														
408	—	Income Prop.	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$35,004
409	—	Soc. Sec.	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
410	—	Pension	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
		Monthly Total	\$6,622	\$6,680	\$14,724	\$6,707	\$7,074	\$6,592	\$6,640	\$14,724	\$6,617	\$8,239	\$7,577	\$100,000

FIG. 6A

Investment Income Flow Analysis for John Sample

April 30, 2001

Accounts Included: 1234-5678, 8765-4321  
 Total Value of Accounts: \$408,762.74  
 Estimated Annual Cash Flow: \$39,737.00

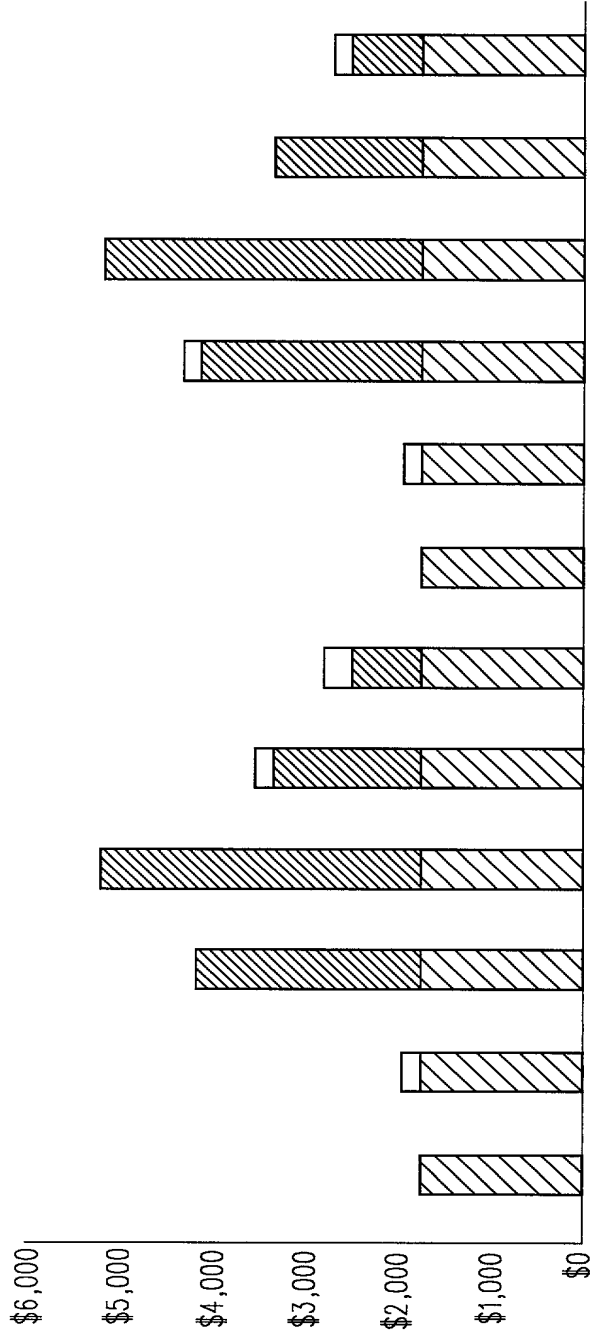


FIG. 6B

Estimated Monthly	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Jan-01	Feb-01	Mar-01	Est. Annual Cash Flow
Equity Cash Flow	\$0	\$187	\$46	\$0	\$187	\$321	\$0	\$187	\$211	\$0	\$32	\$211	\$1,380
Fixed Income Cash Flow	\$0	\$0	\$2,356	\$3,390	\$1,594	\$738	\$0	\$0	\$2,356	\$3,390	\$1,594	\$738	\$16,155
Other Cash Flow	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$1,725	\$20,700
Cash Flow Subtotal	\$1,725	\$1,912	\$4,127	\$5,115	\$3,506	\$2,783	\$1,725	\$1,912	\$4,292	\$5,115	\$3,351	\$2,673	\$38,235
Mutual Fund Cash Flow	\$23	\$18	\$235	\$33	\$24	\$110	\$24	\$21	\$427	\$20	\$21	\$80	\$1,037
Total Cash Flow	\$1,748	\$1,930	\$4,362	\$5,148	\$3,530	\$2,893	\$1,749	\$1,933	\$4,718	\$5,135	\$3,371	\$2,753	\$39,272

501

## Current Performance Planning Report

Prepared for: Susanna Sample  
August 5, 2000

FIG. 7

502

Data as of August 4, 2000 except where noted below.

Security	Projected Annual Cash Flow	Approx. Current Yield	Average Annual Total Returns			Approx. Current Value	Divid. Re-Invest.
			As of latest quarter end (June 30, 2000)	1-Year	5-Year	10-Year	Since Inception
American Gen. Pref.	\$5,005	6.4%	8.3%	8.5%	8.4%	\$78,000	N
Schwab Bond Fund	\$4,378	6.2%	6.0%	6.1%	--	5.9% (09-1993)	Y
<i>Lehman Agg. Bond Index</i>		5.0%	2.5%	7.2%	6.8%		
Treasury Bill	\$16,700	4.8%	5.4%	5.4%	5.4%	\$345,000	N
<i>Lehman Municipal Bond Index</i>		4.5%	0.5%	6.5%	7.1%		
IBM	\$680	1.8%	82.0%	28.7%	27.1%	\$37,150	N
SchwabOne Account	\$684	1.6%	1.7%	26.2%	30.0%	\$42,000	Y
Chevron	\$1,244	1.6%	11.0%	17.8%	14.2%	\$78,000	Y
<i>S&amp;P 500 Index</i>		1.3%	20.0%	26.0%	29.0%		
Citicorp	\$140	0.5%	41.0%	33.7%	35.0%	\$25,750	N
Ford Motors	\$165	0.2%	21.0%	23.0%	25.0%	\$75,000	Y

505

Your total projected annual cash flow may not entirely close the cash flow gap between your income goal and your non-fluctuating sources of cash flow. In this case you may need to rely on capital gains to meet any remaining cash flow gap. This table allows to you assess the approximate current yield and principle total return information in order to determine which holdings are providing you with cash flows versus growth required to meet your lifestyle goals in retirement.

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FIG. 8

601

Current Summary

Prepared for: Susanna Sample  
August 5, 2000

602

Approximately 65% of your income in retirement will come from non-fluctuating sources of income. These are sources such as rental property, social security and pension payments not invested in securities. The difference between your income goal and your non-fluctuating sources of income will need to be met by your security investments. Your Schwab Investment Specialist can assist you in evaluating your investments and the two sources of income they provide -- dividends and interest generated by your investments and capital gains generated by the sale of a portion of your investments. Your Investment Specialist can also help you determine the best course of action to meet your needs.

603

Available Dividend & Interest Cash Flow:

Total Cash Flow	\$22,525
Currently Re-invested Cash Flow	\$ 6,471
Total Available Cash Flow	<u>\$28,996</u>

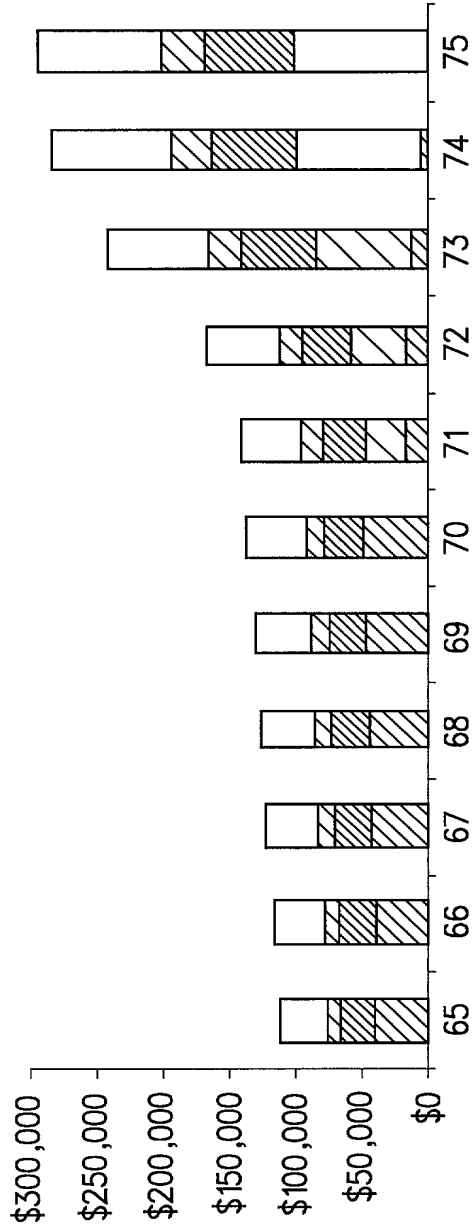
Cash Flow Breakdown:

Dividend & Interest Sources	\$28,996
Non-Fluctuating Sources	<u>\$71,004</u>
Total Cash Flow	<u>\$100,000</u>
Annual Income Goal	<u>\$110,000</u>
Shortfall to be met by Capital Gains	<u>\$10,000</u>

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**FIG. 9** Your In-Retirement Income Projection Prepared for: Susanna Sample August 5, 2000

To maximize the likelihood of meeting your lifestyle goal in retirement, Schwab recommends that you follow a tax-savvy/smart withdrawal strategy. The table below outlines the income stream withdrawal strategy that may meet your goals.

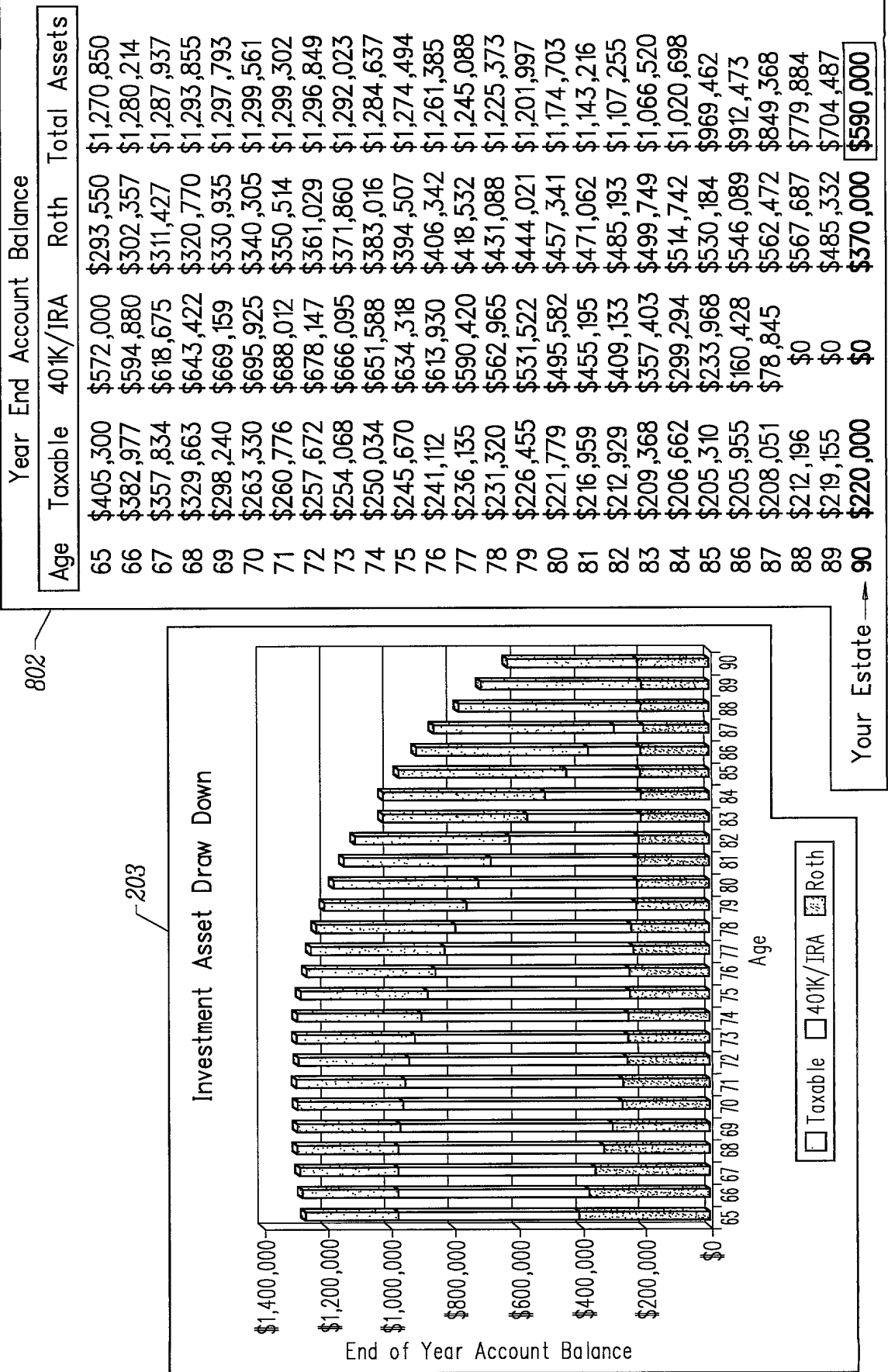


Income Streams	AGE	65	66	67	68	69	70	71	72	73	74	75	80	90
<i>* Income Goal (inclusive of 4% inflation)</i>														
<i>Investment Income Sources</i>														
□ Taxable Accounts		\$39,000	\$40,560	\$42,182	\$43,870	\$45,624	\$47,449	\$5,852	\$11,010	\$46,720	\$43,584	\$0	\$41,870	\$0
□ 401K/Trad'l IRA Accounts		\$0	\$0	\$0	\$0	\$0	\$0	\$43,495	\$0	\$0	\$0	\$0	\$43,584	\$103,968
□ Roth IRA Accounts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Non Fluctuating Income Sources</i>														
□ Social Security		\$24,000	\$24,960	\$25,958	\$26,997	\$28,077	\$29,200	\$30,368	\$35,526	\$52,587	\$26,293	\$76,689	\$63,980	\$31,990
□ Pension		\$12,000	\$12,480	\$12,979	\$13,498	\$14,038	\$14,600	\$15,184	\$17,763	\$26,293	\$51,809	\$93,304	\$93,304	\$93,304
□ Income Property		\$35,000	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583	\$44,286	\$46,720	\$48,286	\$50,852	\$52,426	\$54,000	\$55,574

\*This withdrawal strategy accesses income from both investment dividends and interest as well as capital gains.

FIG. 10

801 — Your Asset Draw Down  
Prepared for: Susanna Sample  
August 5, 2000



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## FIG. 11

901

## RMD Income Streams

Prepared for: Susanna Sample  
August 5, 2000

902

Traditional IRA/401K		Expected
Age	IRS Minimum Withdrawal	Year End Balance
65	\$0	\$572,000
66	\$0	\$594,880
67	\$0	\$618,675
68	\$0	\$643,422
69	\$0	\$669,159
70	\$0	\$695,925
71	\$34,375	\$688,012
72	\$35,948	\$678,147
73	\$37,671	\$666,095
74	\$39,568	\$651,588
75	\$41,667	\$634,318
76	\$44,000	\$613,930
77	\$46,219	\$590,420
78	\$49,107	\$562,965
79	\$51,887	\$531,522
80	\$55,000	\$495,582
81	\$57,895	\$455,195
82	\$61,798	\$409,133
83	\$65,476	\$357,403
84	\$69,620	\$299,294
85	\$74,324	\$233,968
86	\$79,710	\$160,428
87	\$84,616	\$78,845
88	\$78,845	\$0
89	\$0	\$0
90	\$0	\$0

As you reach 70 1/2, you are required by the IRS to begin taking distributions from your IRA. Your required minimum distribution (RMD) is based on the total value of your Traditional, Rollover, SIMPLE and SEP-IRAs at the end of the previous year and the calculation method you select.

Based on the value of your tax deferred assets (IRAs and 401K) and your minimum distribution calculation method\*, your actual distributions and the IRS mandated minimum distributions from your tax deferred accounts will not vary.

\*The single life/recalculation method was used to calculate your required minimum distribution order to achieve your stated goal of minimum taxes in retirement.

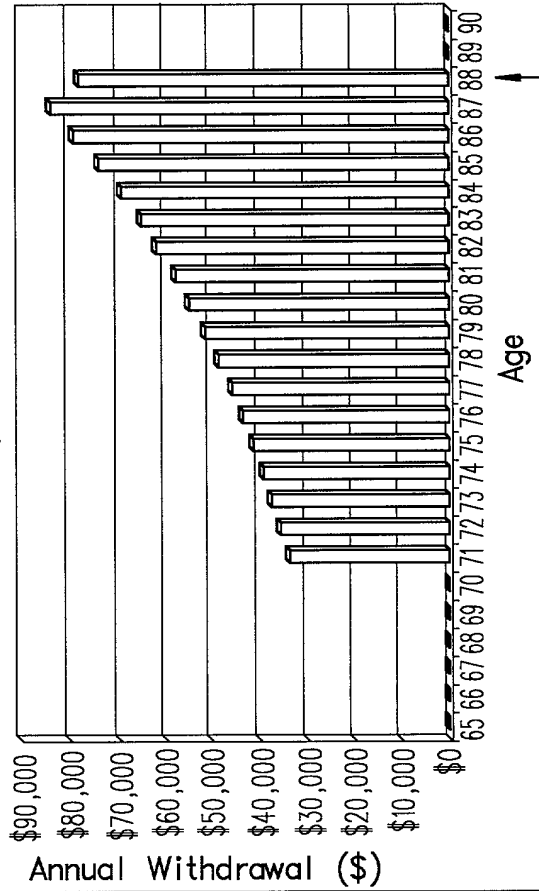
Prepared for: Susanna Sample  
August 5, 2000

# RMD Income Streams (con't)

FIG. 12

1002

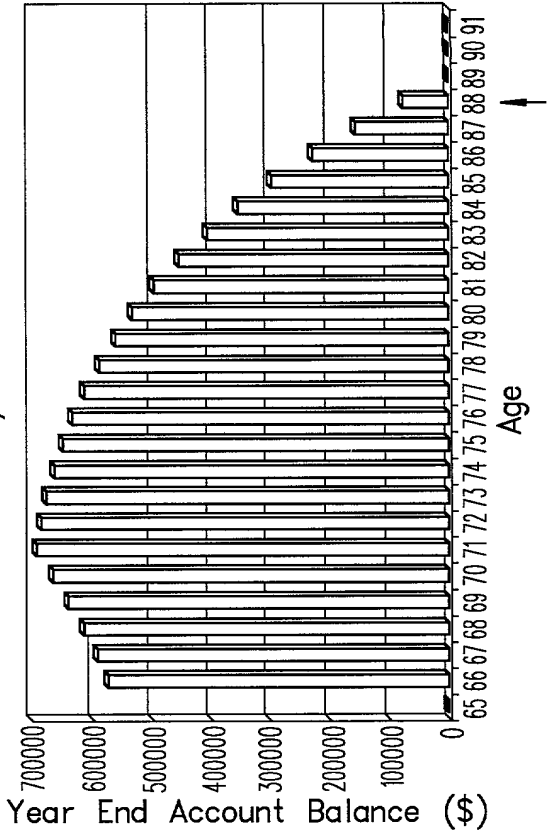
## Annual 401K/IRA Withdrawals



Using the single/recalculation IRA distribution method, you will fulfill your IRS obligations while minimizing your taxes in retirement.

1003

## Year End 401K/IRA Account Balance



Based on your distribution method\* your tax deferred assets will last until your 88th year.

\*Single Life/Recalculation method.

FIG. 13

Summary of Alternatives  
Prepared for: Susanna Sample  
August 5, 2000

1101			
Summary of Alternatives			
1103			
1104			
1105			
1102			
Facts	Current Analysis	Schwab Alternative I	Schwab Alternative II
<ul style="list-style-type: none"> <li>Income Goal</li> <li>Estate</li> <li>Years in Retirement</li> <li>Asset Allocation</li> <li>Likelihood of success</li> </ul>	\$110,000 \$590,000 25 years unchanged 75%	\$110,000 \$478,850 25 years unchanged 95%	\$110,000 \$620,000 25 years moderate 95%
Pros 1106	<ul style="list-style-type: none"> <li>met income goal with 75% certainty</li> </ul>	<ul style="list-style-type: none"> <li>increase probability of meeting in-retirement goals to 95%</li> </ul>	<ul style="list-style-type: none"> <li>increase probability of meeting in-retirement goals to 95%</li> <li>increases likely estate left</li> </ul>
Cons 1107	fall below desired estate goal of \$600,000	<ul style="list-style-type: none"> <li>requires the relaxing of one of your goals -- estate</li> </ul>	<ul style="list-style-type: none"> <li>requires assuming a greater level of risk with your asset allocation and may expose you to a greater degree of volatility in your portfolio's performance</li> </ul>

FIG. 14

Alternative I: Modify Goal

Prepared for: Susanna Sample  
August 5, 2000

By relaxing your estate goal, you may increase the likelihood of meeting your lifestyle goal from 75% to 95%.

Your Current Analysis

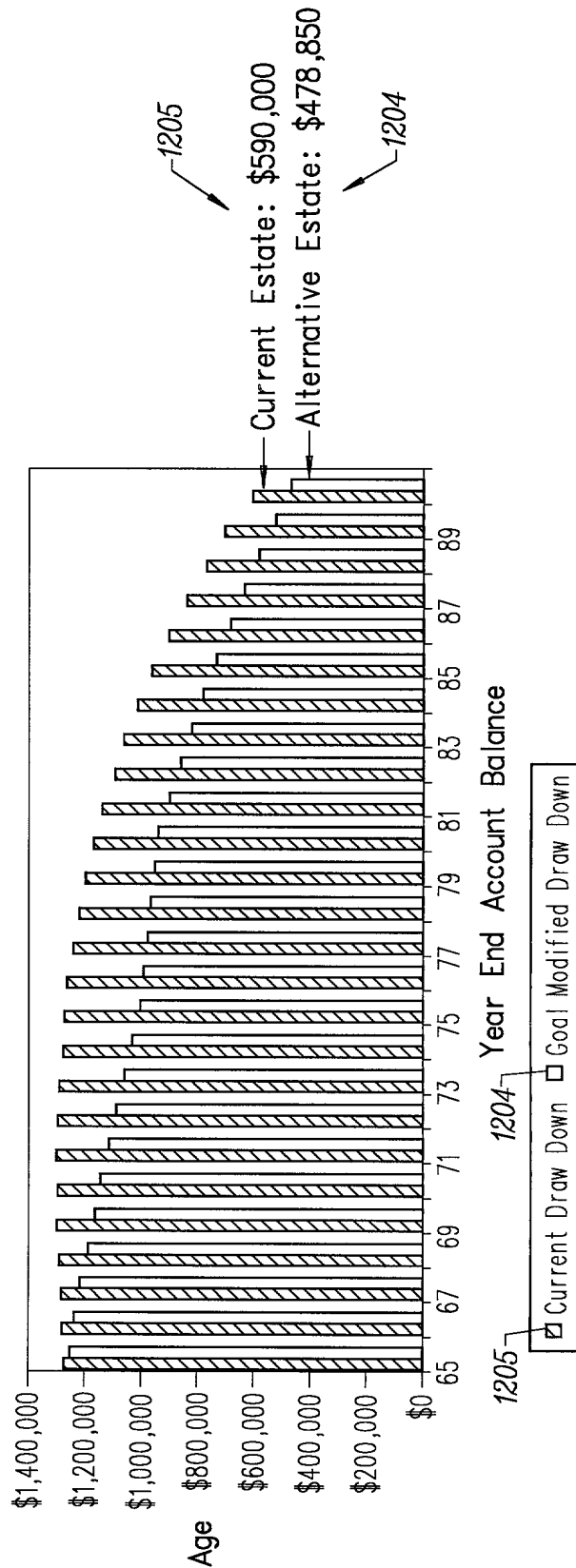
**\$590,000**  
25 years  
\$110,000  
unchanged  
75%

**Estate**  
Years In Retirement  
Income Goal  
Asset Allocation  
Likelihood of Success

Schwab Alternative I

**\$478,850**  
25 years  
\$110,000  
unchanged  
95%

Modified Asset Draw Down



Alternative II: Modify Asset Allocation  
Prepared for: Susanna Sample  
August 5, 2000

FIG. 15

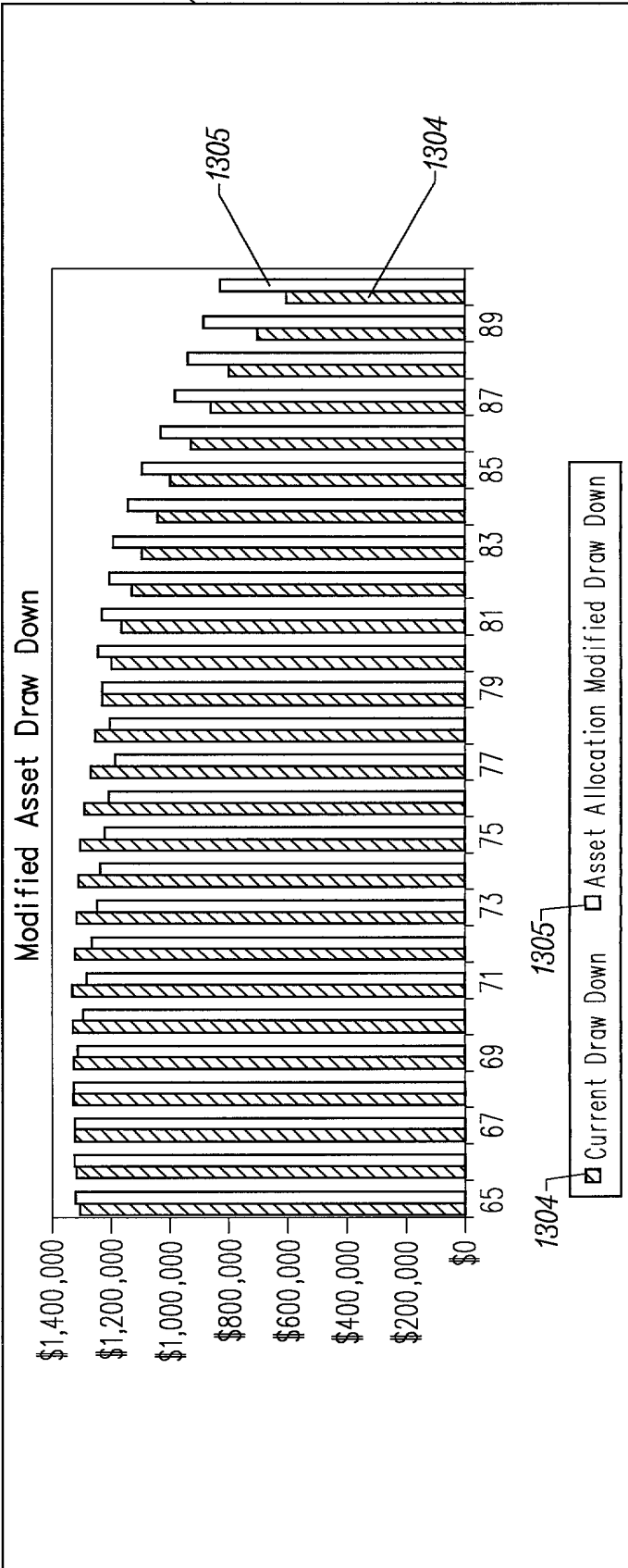
By altering your asset allocation, you may increase the likelihood of meeting your lifestyle goal from 75% to 95%.

Your Current Analysis

*unchanged*  
\$590,000  
25 years  
\$110,000  
75%

Schwab Alternative II

*moderate*  
\$620,000  
25 years  
\$110,000  
95%





1401

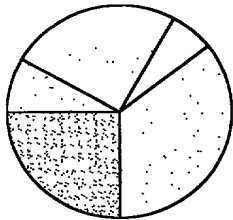
### Alternative Analysis II:

#### Moderate

Average Annual Return (1970-1999)

Best Year: 28.56%

Worst Year: -9.78%



- ☐ Small Cap ☐ Large Cap ☐ International
- ☐ Fixed Income ☐ Cash

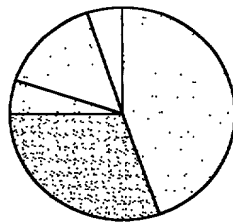


### Current Analysis: Your Portfolio

Average Annual Return\* (1970-1999)

Best Year: XX.XX%

Worst Year: -X.XX%



- ☐ Small Cap ☐ Large Cap ☐ International
- ☐ Fixed Income ☐ Cash

\*Average annual return for a portfolio like yours.

### Alternative II: Modify Asset Allocation (con't)

Prepared for: Susanna Sample  
August 5, 2000

An alternative to modifying your goals, may be to reallocate your portfolio.

By modifying the way your assets are allocated between asset classes you may be able to better meet your lifestyle goal in retirement.

Our analysis shows that you may be able to better achieve your goals with a more optimal asset allocation.

Additionally, your preferences indicate that based on your time horizon you may benefit from altering your portfolio diversification to increase your likelihood of achieving your goal in retirement from 75% to 95%.

#### Suggested Reallocation:

- ☐ Underweighted Small Cap \$XX,XXX
- ☐ Underweighted Large Cap \$YY,YYY
- ☐ Underweighted International \$ZZ,ZZZ
- ☐ Overweighted Fixed Income \$AA,AAA
- ☒ Overweighted Cash \$BB,BBB

FIG. 16

# FIG. 17

1501

Alternative II: Action Plan

Prepared for: Susanna Sample  
August 5, 2000

1502

## SMALL COMPANY HOLDINGS: OVERWEIGHTED \$689,831

### Individual Equities

Amount	% of Asset Class	Company Name (Sector)	I/B/E/S Analyst Consensus	S&P Rating	12 Month Total Return Company	12 Month Total Return Industry	Company P/E	Industry P/E
\$21,000	2%	Aeroflex Inc	Sell <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Strong Buy	(n/a)	-32.9%	-59.2%	22.0	11.5
\$47,500	5%	Electron(Defense) Applied Signal Techno...	(n/a)	(n/a)	49.2%	-59.2%	12.3	11.5
\$8,625	1%	Electron(Defense) Atlantic Pharmaceutica...	(n/a)	(n/a)	82.2%	-11.4%	—	37.3
\$19,500	2%	Hlth Care(Drugs-Maj) Auto Immune Inc.	(n/a)	(n/a)	-40.5%	94.7%	—	63.1
\$15,813	2%	Biotechnology Biomira Inc.	(n/a)	(n/a)	133.6%	94.7%	—	63.1
\$202,496	21%	Terayon Communications... Communications Equip.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	(8) (n/a)	164.2%	65.2%	—	85.9
\$0	<1%	Terex Corp. Machinery(Diver)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	(10) (n/a)	-7.6%	12.3%	5.3	22.1
\$5,344	1%	United Parcel'B' Air Freight	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	(15) * *	n/a	-3.1%	—	18.6
\$141,375	15%	Wind River Systems Computer(Sftwr&Sv)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	(5) (n/a)	34.9%	26.3%	54.9	69.0

Benchmark: RUSSELL 2000

17.7%

Buy/Sell

Buy/Sell

Buy/Sell

Symbols

☐ This security is held in a tax-deferred account

+

# FIG. 18

1601

## Alternative II: Action Plan (con't)

Prepared for: Susanna Sample  
August 5, 2000

1602

### LARGE COMPANY HOLDINGS: OVERWEIGHTED \$258,552

#### Individual Equities

Amount	% of Asset Class	Company Name (Sector)	I/B/E/S Analyst Consensus	S&P Rating	12 Month Total Return Company	Industry	Company	P/E Industry
\$68,813	9%	Fifth Third Bancorp Banks(Mj Regional)	Sell <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Strong Buy	(22) ★★	-1.7%	-15.1%	30.9	15.7
\$51,375	7%	Intl Bus. Machines	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(33) ★★★★★	23.1%	19.0%	27.3	39.7
\$6,800	1%	Computers(Hardware)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(42) ★★★★★	-1.2%	65.2%	81.6	85.9
\$23,344	3%	Lucent Technologies Communications Equip	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(34) ★★★★★	-13.2%	-2.2%	32.4	33.6
\$9,413	1%	MCI WorldCom Telecomm(Lng Dist)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(10) ★★★★★	63.8%	26.3%	60.7	69.0
\$16,325	2%	Novell Inc. Computer(Sftwr&Sv)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(35) ★★★★★	171.0%	26.3%	106.3	69.0
\$215,500	29%	Oracle Corp Computer(Sftwr&Sv)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(22) ★★★★★	12.6%	13.2%	39.0	34.0
\$15,900	2%	Procter & Gamble Hsehold Prod(NomDur)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(14) ★★★★★	2.9%	8.8%	51.2	19.2
\$7,150	1%	Schwab(Charles)Corp Investment Bk/Brkg	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(26) ★★★★★	63.1%	26.1%	59.0	38.3
\$14,550	2%	Soletron Corp Electrical Equip	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(19) ★★★★★	11.9%	15.1%	55.9	25.0
\$11,600	2%	Tyco International Mfg(Diver)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy	(9) ★★★★★	92.2%	-2.2%	112.8	33.6
		Global Crossing Ltd. Telecomm(Lng Dist)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Buy					
Buy/Sell					10.4%			
Buy/Sell								
Buy/Sell								
Symbols								

Benchmark: SP500

[TD] This security is held in a tax-deferred account

+

+

1701 Alternative II: Action Plan (con't) Prepared for: Susanna Sample  
August 5, 2000

1702

INTERNATIONAL HOLDINGS: UNDERWEIGHTED \$331,446  
Individual Equities

Amount	% of Asset Class	Company Name (Sector)	I/B/E/S Analyst Consensus	S&P Rating	12 Month Total Return Company Industry	P/E Company Industry
\$10,500	100%	Fletcher Challenge For... Paper&Forest Prod	Sell <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Strong	(2) (n/a)	-28.8% 18.7%	2.5 28.6

Benchmark: MSCI EAFE ND

19.3%

Buy/Sell  
Buy/Sell  
Buy/Sell

Symbols

☐ This security is held in a tax-deferred account

FIG. 19

+

1901 Alternative II: Action Plan (con't) Prepared for: Susanna Sample  
August 5, 2000

1902

FIXED INCOME HOLDINGS: UNDERWEIGHTED \$205,167

Buy/Sell  
Buy/Sell  
Buy/Sell

Symbols

☐ C This security represents a Core investment (Index Fund)

☐ TD This security is held in a tax-deferred account

FIG. 20

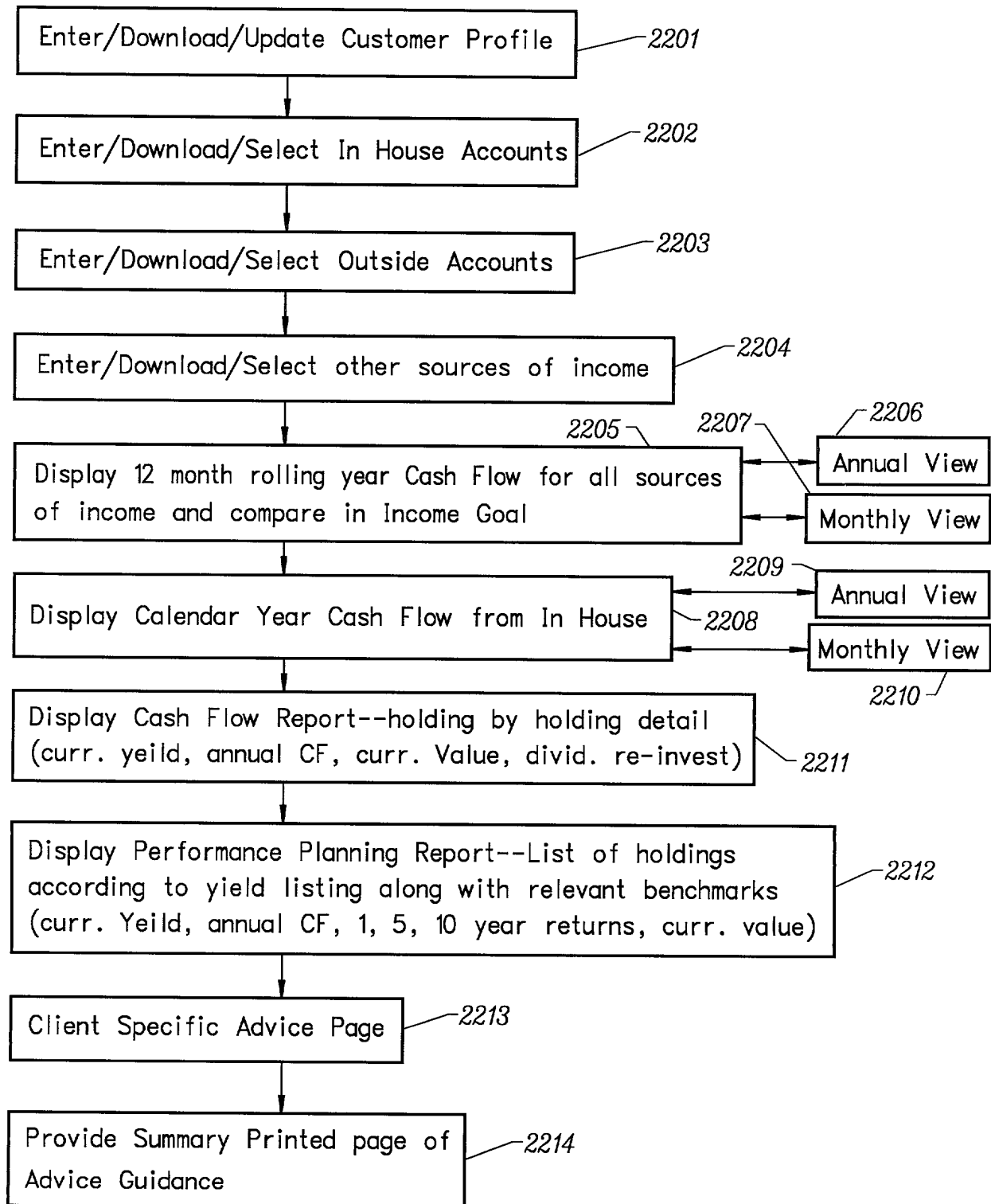


FIG. 21